



DWD Issuance 01-2009

Issued: July 22, 2009
Effective: July 22, 2009

Subject: Wages of the Participants in the Next Generation Jobs Team Program Employed by Governmental Entities or by Entities with 501 (c) 3 Not-for-Profit Status.

1. Purpose: To provide the Missouri Employment Security Law that relates to wages of the workers who are participants of the Summer Youth - Next Generation Jobs Team Program (NGJT), to the Governmental Entities and Entities with 501 (c) 3 Not-for-Profit Status that employ these participants. The Missouri Employment Security Law, provided verbatim in the “Background” section of this Issuance, states that Governmental Entities and Entities with 501 (c) 3 Not-for-Profit Status are not required to report the wages of the participants for unemployment insurance tax purposes.

2. Background: The Summer Youth - Next Generation Jobs Team Program is an authorized work training program of the Workforce Investment Act (WIA) of 1998, funded with Recovery Act funding through WIA.

This policy provides the specific definitions of the Missouri Employment Security Law, (Chapter 288, Section 288.034) based on the United States Department of Labor Unemployment Insurance Program Letter 30-96, to promote clarity and understanding for those Governmental Entities and Entities with 501 (c) 3 Not-for-Profit Status that have employed the NGJT-Summer Youth participants.

3. Substance: Missouri Employment Security Law provides as follows in the Missouri Revised Statutes, Chapter 288:

MoRS 288.034. 1. "Employment" means service, including service in interstate commerce, performed for wages or under any contract of hire, written or oral, express or implied, and notwithstanding any other provisions of this section, service with respect to which a tax is required to be paid under any federal unemployment tax law imposing a tax against which credit may be taken for contributions required to be paid into a state unemployment fund or which, as a condition for full tax credit against the tax imposed by the Federal Unemployment Tax Act, is required to be covered under this law. ...

7. Service performed by an individual in the employ of this state or any political subdivision thereof or any instrumentality of any one or more of the foregoing which is wholly owned by this state and one or more other states or political subdivisions, or any service performed in the employ of any instrumentality of this state or of any political subdivision thereof, and one or more other states or political subdivisions, provided that such service is excluded from "employment" as defined in the Federal Unemployment Tax Act by Section 3306(c)(7) of that act and is not excluded from "employment" pursuant to subsection 9 of this section, shall be "employment" subject to this law.

8. Service performed by an individual in the employ of a corporation or any community chest, fund, or foundation organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, or other organization described in Section 501(c)(3) of the Internal Revenue Code which is exempt from income tax under Section 501(a) of that code if the organization had four or more individuals in employment for some portion of a day in each of twenty different weeks whether or not such weeks were consecutive within a calendar year regardless of whether they were employed at the same moment of time shall be "employment" subject to this law.

9. For the purposes of subsections 7 and 8 of this section, the term "employment" does not apply to service performed:

(5) As part of an unemployment work-relief or work-training program assisted or financed in whole or in part by any federal agency or an agency of a state or political subdivision thereof, by an individual receiving such work relief or work training;

4. Action: Effective July 22, 2009, this information should be distributed to all Governmental Entities and Entities with 501 (c) 3 Not-for-Profit Status that have employed the NGJT- Summer Youth participants. Work relief and work training programs are authorized under the Workforce Investment Act (WIA) of 1998. The summer youth program is funded with stimulus dollars through the Workforce Investment Act. As such, this would qualify as a work-training program. As previously indicated the workers and the wages of the participants of the program do not have to be reported for unemployment insurance tax purposes, by Governmental and Non-Profit Entities that are the employer of record for NGJT Summer Youth participants.

5. Contact: Please contact Rita Holtmeyer with Financial Management, at (573) 751-5219, if you have any questions regarding this issuance.

6. Reference: United States Department of Labor Unemployment Insurance Program

Letter NO. 30-96. Web link:

http://ows.doleta.gov/dmstree/uipl/uipl96/uipl_3096.htm.

Missouri Statute, Chapter 288, Employment Security, Section 288.034, sub-sections 1, 7, 8, 9, and (5). Web link:

<http://www.moga.mo.gov/statutes/C200-299/2880000034.htm>

7. Rescissions: U.S. Department of Labor, Employment and Training Administration, Unemployment Insurance Program Letter No. 15-86.
8. Attachments: None.



Julie Gibson, Director